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DOD BUSINESS TRANSFORMATION

Status of DOD's Actions on Previous Recommendations for the Defense Travel System

Statement of Asif A. Khan
Director, Financial Management and Assurance

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DOD BUSINESS TRANSFORMATION

Status of DOD's Actions on Previous Recommendations for the Defense Travel System

Why GAO Did This Study

In 1995, the Department of Defense (DOD) began an effort to implement a standard departmentwide travel system—the Defense Travel System (DTS). As part of its ongoing monitoring, GAO's April 2008 testimony before this subcommittee highlighted challenges confronted by the department in its implementation efforts. GAO's testimony today is based on its current follow-up work conducted at the request of this subcommittee, as well as the Subcommittee on Readiness. GAO's testimony today focuses on the actions DOD has taken to (1) implement previous GAO recommendations regarding implementation of DTS and related travel policies, (2) phase out legacy travel systems and their associated costs, and (3) implement electronic travel voucher processing. To address these objectives, GAO (1) analyzed specific documentation, such as test documentation, travel policies, and budget data, and (2) interviewed appropriate DOD travel personnel.

What GAO Recommends

Subsequent to this testimony, GAO plans to issue a report on the status of DOD's actions on GAO's previous recommendations, which will include any further recommendations needed to improve the department's implementation of DTS and ensure its success in the future.

View GAO-09-416T or key components.

For more information, contact Asif A. Khan at (202) 512-9095 or khana@gao.gov.

What GAO Found

GAO has made 14 recommendations aimed at improving DOD's management oversight and implementation of DTS and related travel policies to make DTS the standard departmentwide travel system. GAO considers 7 of the 14 recommendations closed and the remaining 7 recommendations as being open. The 7 closed recommendations pertained to premium-class travel, unused airline tickets, use of restricted airfare, proper testing of system interfaces, and streamlining of certain travel processes, such as the process for approving travel voucher expenses. GAO's analysis of the 7 closed recommendations found that the actions taken by the department responded to the intent of the recommendations. Of the 7 open recommendations, 3 related to the adequacy of DTS's requirements management and system testing, 3 to DTS underutilization, and 1 to developing an approach that will permit the use of automated methods to reduce the need for hard copy receipts to substantiate travel expenses. In the area of requirements management and testing, GAO found that while DTS's requirements management and testing process has improved, problems still persist. The problems were generally related to missing documentation, the limited scope of requirements testing performed, or both. In the area of DTS utilization, GAO found that the department still does not have in place the metrics to determine the number of manual travel vouchers that should have been processed through DTS.

Further, DOD does not have accurate and complete information on the number of legacy travel systems that are still in use by the military services. Defense Travel Management Office (DTMO) data indicates that there are 23 legacy travel systems, but military services' data identify 12—10 of which are on the DTMO list. In addition, GAO found that the department lacks visibility of the cost to operate and maintain these legacy systems. The DTMO and the military services could only provide limited cost data for each identified legacy travel system and the department's fiscal year 2009 information technology budget contained cost data for only 3 of the 23 systems on the DTMO list. According to the military services, some of the legacy systems will be needed even after DTS has been deployed to all intended locations because DTS will not include certain functionality, such as the processing of civilian permanent duty travel. Without a valid inventory of legacy travel systems, it is unlikely that DOD management or the Congress will receive reliable reports regarding when duplicative systems are likely to be eliminated and the annual savings available from avoiding the associated operating and maintenance costs.

Finally, GAO found that there is a significant difference between the costs of processing a travel voucher manually and electronically. Based upon departmental data , the fee charged to process a travel voucher manually is about 15 times greater than electronic voucher processing—approximately $37 manually and $2.50 electronically. Shutting down legacy travel systems, which require manual processing, would provide cost savings to the department related to the processing of travel vouchers.

_____ **United States Government Accountability Office**

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss our prior work and the preliminary results of our ongoing review of the Defense Travel System (DTS). This body of work was undertaken in response to a joint request by your subcommittee and the Subcommittee on Readiness, House Committee on Armed Services, and builds on prior GAO reports.[1] In December 1995, the Department of Defense (DOD) established the Program Management Office—Defense Travel System (PMO-DTS) to begin improving the department's travel operations by replacing existing travel systems with a single departmentwide system—DTS.[2] This endeavor was in response to the 1995 DOD Travel Reengineering Report issued by the DOD Task Force to Reengineer Travel that pinpointed the following three principal causes for the department's inefficient travel system: (1) travel policies and programs focused on compliance with rigid rules rather than mission performance, (2) travel practices that did not keep pace with travel management improvements implemented by industry, and (3) nonintegrated travel systems.[3]

Today, our testimony will focus on the actions DOD has taken to

- implement previous GAO recommendations regarding implementation of DTS and related travel policies,

- phase out legacy travel systems and their associated costs, and

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[1] GAO, *DOD Business Transformation: Defense Travel System Continues to Face Implementation Challenges*, GAO-06-18 (Washington, D.C.: Jan. 18, 2006) and *Defense Travel System: Reported Savings Questionable and Implementation Challenges Remain*, GAO-06-980 (Washington, D.C.: Sept. 26, 2006).

[2] DOD expects DTS to perform all functions related to travel or ensure that other systems are provided with adequate information to provide this functionality. For example, obligating funds associated with travel is a necessary function, and DTS is expected to (1) make sure that adequate funds are available before authorizing travel either through information contained in its system or by obtaining the necessary information from another system, (2) obligate funds through issuance of approved travel orders or other appropriate documentation, and (3) provide DOD's financial management systems with the necessary information so that those other systems can record the obligation. Since DTS is required to ensure that all travel-related functionality is properly performed, DOD commonly refers to DTS as an end-to-end travel system.

[3] Department of Defense, *Report of the Department of Defense Task Force to Reengineer Travel* (Arlington, Va., January 1995).

- implement electronic travel voucher processing.

We have discussed the preliminary findings included in this testimony with DOD officials. After completing additional work, we plan to issue a report on the status of DOD's actions on GAO's previous recommendations, which will include any further recommendations needed to improve the department's implementation of DTS and ensure its success in the future.

To address the first objective, for those recommendations that department officials said were implemented, we analyzed specific documentation, such as test documentation, to assess whether we concurred with their assertions. For the remaining recommendations, we identified specific actions the department had taken, or planned to take, and provided our perspective on whether those actions did or would respond to the recommendations and intent. We also met with officials from the Defense Travel Management Office (DTMO), the PMO-DTS, and the prime contractor, as appropriate, to obtain an understanding of the status of the recommendations. To address the second objective we obtained an understanding of the military services plans for phasing out of the legacy travel systems. Additionally, we obtained and analyzed listings of legacy travel systems from DTMO and the military services and reviewed fiscal year 2009 budget data to identify the legacy travel systems used by each service, and the cost associated with operating and maintaining these systems. Finally, to address the cost-effectiveness of processing travel vouchers, we reviewed the methodology used by DFAS to determine the cost charged to a customer for processing a travel voucher electronically versus manually. We performed our work from July 2008 through March 2009 in accordance with U.S. generally accepted government auditing standards. Details on our scope and methodology are included in appendix I. We discussed the preliminary findings included in this testimony with DOD officials responsible for this program.

Background

In September 1993, the National Performance Review[4] called for an overhaul of DOD's temporary duty (TDY) travel system. In response, DOD created a task force to examine the department's travel operations.[5] The task force found that those operations were costly, inefficient, fragmented,

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[4]The National Performance Review was an interagency task force established on March 3, 1993, to reform the way the federal government operated.

[5]The task force was called the DOD Task Force to Reengineer Travel.

and did not adequately support DOD's mission travel needs. On December 13, 1995, the Under Secretary of Defense for Acquisition and Technology (AT&L) and the Under Secretary of Defense (Comptroller)/Chief Financial Officer issued a memorandum, "Reengineering Travel Initiative," which established the PMO-DTS and tasked it with acquiring travel services that would be used DOD-wide. In a 1997 report to the Congress, the DOD Comptroller reported that the existing DOD TDY travel systems were never designed to be integrated.[6] The report stated that because there was no centralized focus on the department's travel practices, the travel policies were issued by different organizations and the process had become fragmented and "stovepiped." The report further noted that there was no vehicle in the current structure to overcome these deficiencies as no single individual or organization within the department had specific responsibility for management control of DOD TDY travel.

In 1998, the department initiated efforts to develop and implement DTS to provide the department with a single, integrated, end-to-end travel system. According to DTMO officials, the department projects that DTS will be deployed to all intended locations—about 9,800— during fiscal year 2009. In response to congressional concerns regarding the implementation and operation of DTS, the John Warner National Defense Authorization Act for Fiscal Year 2007 directed that the department have an independent assessment of DTS to determine the most cost-effective method of meeting DOD's travel requirements.[7] The assessment, which was completed by the Institute for Defense Analyses (IDA) in March 2007,[8] focused on three mandatory elements specified in the legislation. The first two pertained to the department's travel reservation process and the third to the feasibility of making the DTS financial infrastructure[9] mandatory for all DOD travel transactions and phasing out legacy travel systems.

The IDA study found that the department's mid-February 2007 updates to DTS effectively addressed the underlying issues and concerns raised by

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[6]Office of the Under Secretary of Defense (Comptroller), *Department of Defense Travel Reengineering Pilot Report to Congress* (Arlington, Va., June 1997).

[7]Pub. L. No. 109-364, §943, 120 Stat. 2083, 2365 (Oct. 17, 2006).

[8]Institute for Defense Analyses, *Assessment of the Potential to Improve the Cost-Effectiveness of the Defense Travel System* (Alexandria, Va., March 2007). DOD refers to this report as the IDA study.

[9]DTS financial infrastructure includes voucher processing, accounting, disbursing, debt collection, management accountability, and archival functions.

the study regarding continued use of DTS's travel reservation process and recommended its continued use. Regarding the feasibility of making DTS mandatory for all DOD travel transactions, the study concluded that while the institute found that legacy systems are being used even when DTS could be used, there were situations—such as certain travel types (e.g., permanent change of station) that DTS cannot accommodate and sites where DTS has not yet been fielded—that must be addressed before the use of DTS can be made mandatory DOD-wide. As a result, the study recommended that DOD mandate the use of DTS for all travel that it is currently capable of supporting.

DOD Has Made Progress in Addressing GAO Recommendations, but Additional Actions Are Needed

Our January 2006[10] and September 2006[11] reports contained 14 recommendations aimed at improving DOD's management oversight and implementation of DTS and related travel policies. DOD officials have indicated that the department has taken action to close all 14 of our recommendations. However, based upon our work to date to validate DOD's actions, we consider 7 of the 14 recommendations as closed and the remaining 7 open. The 7 closed recommendations pertained to premium-class travel, unused airline tickets, use of restricted airfare, proper testing of system interfaces, and streamlining of certain travel processes, such as the process for approving travel voucher expenses. Our preliminary analysis of the 7 closed recommendations found that the actions taken by the department responded to the intent of our recommendations; however, we need to perform additional work to validate the department's closed status regarding these recommendations. Of the 7 open recommendations, 3 related to the adequacy of DTS's requirements management and system testing, 3 related to DTS underutilization, and 1 related to developing an approach that will permit the use of automated methods to reduce the need for hard copy receipts to substantiate travel expenses. Below are two examples of where DOD has acted upon our prior recommendations and two examples where the recommendations remain open.

Premium-class travel. We reported in January 2006[12] that the commercial travel offices (CTO) were not adhering to the department's policy

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[10]GAO-06-18.

[11]GAO-06-980.

[12]GAO-06-18.

restricting the use of premium-class travel and recommended that the department take action to ensure that CTOs do so.[13] Because each premium-class ticket costs the government up to thousands of dollars more than a coach-class ticket, unauthorized premium-class travel can result in millions of dollars in unnecessary travel costs annually. Our preliminary work found that the department has made changes to DTS requiring approval of premium-class travel by the authorizing official prior to the issuance of the airline ticket to the traveler by the CTO. Additionally, in October 2007, DOD released a Web-based management tool, which captures premium-class travel approvals and provides monthly reports related to premium-class travel to DTMO. Further, according to DOD officials, the CTO contracts include a monthly reporting requirement regarding premium-class travel. The department's actions are responsive to the intent of our recommendation.

Unused airline tickets. We reported in January 2006[14] that DOD had not recovered millions of dollars in airline tickets that DOD travelers purchased but did not use.[15] To address this issue, we recommended that the department consider the viability of using commercial databases to identify unused airline tickets, for which reimbursement should be obtained, and to help ensure that the actual travel taken was consistent with the information shown on the travel voucher. In its efforts to implement this recommendation, DTMO found that commercial sources could not readily identify unused airline tickets. In implementing this recommendation, DTMO officials acknowledged that the ongoing CTO initiative, which is scheduled for completion by June 2009, requires CTOs to identify and cancel an unused airline ticket 30 days after the planned trip date and then initiate the refund process. CTOs will be required to provide monthly unused airline ticket reports. DTMO officials stated that as the department negotiates new CTO contracts, this reporting requirement will be included in all new contracts. The department's actions are responsive to the intent of our recommendation.

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[13]Federal travel regulations define premium-class travel as any class of accommodation above coach-class, that is, first or business class. General Services Administration and DOD regulations state that travelers must use coach-class accommodations for official business air travel—both domestic and international—except when a traveler is specifically authorized to use premium-class. These regulations restrict premium-class travel to limited circumstances.

[14]GAO-06-18.

[15]GAO, *DOD Travel Cards: Control Weaknesses Led to Millions of Dollars Wasted on Unused Airline Tickets*, GAO-04-398 (Washington, D.C.: Mar. 31, 2004).

Requirements management and system testing. Our January 2006 and September 2006 reports[16] noted problems with DTS's ability to properly display flight information and traced those problems to inadequate requirements management and system testing. Specifically, the system was not displaying all eligible flights that travelers could choose within their anticipated departure and arrival times due to inadequately defined requirements. Properly defined requirements are a key element in developing and implementing systems that meet their cost, schedule, and performance goals since requirements define the (1) functionality that is expected to be provided by the system and (2) quantitative measures by which to determine through testing whether that functionality is operating as expected. We recommended that DOD implement the processes necessary to provide reasonable assurance that requirements are properly documented and adequately tested and to simplify the display of airfares in DTS. To determine if the department acted on our three previous recommendations, we selected 90 requirements related to DTS's display of flight information for detailed review and analysis of the testing performed. We also selected an additional 119 requirements that were covered by DOD's testing process that was newly implemented in July 2007. Based upon our preliminary analysis and discussions with DTMO, PMO-DTS, and the prime contractor for the development and implementation of DTS, we found that while DTS's requirements management and testing process has improved, problems still persist. The problems were generally related to missing documentation, the limited scope of requirements testing performed, or both. For example, one requirement indicated that DTS should not allow a traveler to select flight departure or arrival dates that were outside the established itinerary trip dates. Our review of DOD's test of this requirement showed that only 3 of the 6 boundary conditions needed to fully test this requirement had been tested. Neither DOD nor its contractor could provide documentation supporting testing for the day after the traveler's departure date, the day before the arrival date, and the day after the arrival date. Based on our analysis, this requirement was not adequately tested.

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[16]GAO-06-18 and GAO-06-980.

Another requirement indicated that if the contract carrier for the specified General Services Administration (GSA) city pair[17] is Southwest, then DTS shall identify the available flights based on Southwest's published Y-class fares for the specified city pair.[18] Our analysis found that the test documentation associated with this requirement only displayed the flights for GSA limited availability fares, which did not include the Southwest Y-class fares called for by the requirement. Therefore, this requirement was not adequately tested.

Our review of the 119 requirements included in DOD's new testing process disclosed that the process does not fully address the problems related to weak requirements management and system testing that we identified in our prior DTS reports. For example, we found that requirements were not adequately tested. The three recommendations we made in the area remain open. The department has provided additional documentation and we are in the process of analyzing the documentation to determine the extent to which the revised requirement management and testing processes have improved.

DTS underutilization. Our January 2006 and September 2006 reports[19] noted the challenge facing the department in attaining planned DTS utilization. More specifically, as discussed in our September 2006 report, we found that while the military services have issued various memorandums that mandate the use of DTS to the fullest extent possible at those sites where DTS has been deployed, sites were still using legacy travel systems to process TDY travel. Additionally, we found that the department did not have reasonable quantitative metrics to measure and reliably report on the extent to which DTS was actually being used. As of the issuance of our September 2006 report, DTS utilization rates reported

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[17]GSA awards contracts to airlines to provide flight services between pairs of cities. This is commonly referred to as the GSA city pair program. Under this program (1) no advance ticket purchases are required, (2) no minimum or maximum length of stay is required, (3) tickets are fully refundable and no charges are assessed for cancellations or changes, (4) seating is not capacity controlled (i.e., as long as there is a coach-class seat on the plane, the traveler may purchase it), (5) no blackout dates apply, (6) fare savings average 70 percent over regular walk-up fares, and (7) fares are priced on one-way routes permitting agencies to plan for multiple destinations.

[18]Airlines distinguish levels of flight services, for example, first class or coach, and restrictions associated with a fare by what is referred to as a fare class. Fare class Y refers to a full fare unrestricted economy coach fare.

[19]GAO-06-18 and GAO-06-980.

by DOD were based on the DTS Voucher Analysis Model[20] developed in calendar year 2003 using military service data, which were not verified or validated. Furthermore, PMO-DTS officials acknowledged that the model had not been updated with actual data over the years. As a result, estimated DTS utilization reported to DOD management and the Congress was questionable. In our September 2006 report,[21] we recommended that (1) the department develop a process by which the military services would use validated quantitative data from DTS and their individual legacy systems to identify the total universe of DTS-eligible transactions on a monthly basis and (2) these data be used to update the DTS Voucher Analysis Model to report actual DTS utilization rates.

Our preliminary observations show that while the department has taken some action to implement this recommendation, DOD still does not have reasonable quantitative metrics to measure the extent of DTS utilization as its metrics continue to be based, at least in part, on estimates. DTMO officials stated that DOD no longer uses the DTS Voucher Analysis Model to report DTS utilization. Instead, in March 2007, DTMO began consolidating travel voucher processing data provided by the military services and publishing this information in the Defense Travel Enterprise Quarterly Metrics Reports. These reports include metrics for DTS fielding, DTS voucher processing, and DTS reservation module usage performance.[22] These reports are provided to DOD management and the military services and include military service data for legacy systems and data available from DTS. The Defense Travel Enterprise Quarterly Metrics Report states that the number of TDY vouchers processed in legacy

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[20]DOD developed a model in calendar year 2003 that compares the expected usage against the actual usage. The expected usage was obtained by using historical data, such as ticket counts, to determine the expected number of vouchers processed by a given location. For example, if a location had 1,000 vouchers as its expected number of vouchers per the model, but processed 750 actual vouchers through DTS, then the PMO-DTS model considered that that location had achieved a 75 percent utilization rate. The model then took the individual computations for each DTS location and "rolled them up" to determine the total utilization for individual service performance on a monthly basis.

[21]GAO-06-980.

[22]DTS fielding metrics are intended to quantify the number of locations at which DTS has been implemented (or fielded), the number of locations where implementation is in progress, and the number of locations where DTS implementation is planned but not yet started. The DTS usage for vouchers processed measures the percentage of TDY vouchers processed in DTS. This metric is calculated by dividing the number of approved vouchers processed in DTS (numerator) by the sum of DTS and legacy system (non-DTS) vouchers processed (denominator).

systems is an estimate because of limitations in DTMO's ability to collect these data from the legacy systems of the military services and defense agencies. Military service officials stated that they are unable to determine the number of legacy system vouchers that should have been processed by DTS (total universe of travel vouchers). As of September 30, 2008, DTS's reported voucher processing utilization rates were 73 percent for the Army, 64 percent for the Navy, and 49 percent for the Air Force.

Because the department is unable to identify the total universe of travel vouchers, the estimated utilization rates may be over- or understated and the three recommendations in this area remain open. In our September 2006 report,[23] we reported that the DTS utilization rate should be calculated by comparing actual vouchers processed in DTS to the total universe of vouchers that should be processed in DTS. The universe would exclude those travel vouchers that could not be processed through DTS, such as those related to permanent change of station or deployment travel.

DOD Lacks Complete and Accurate Information About Legacy Travel Systems

A key component of DOD's efforts to transform its travel process is the elimination of the department's legacy travel systems. As highlighted in the 1995 DOD Travel Reengineering Report, continued use of legacy travel systems not only diminishes the efficiency of the department's travel operations, it also results in additional costs. Our preliminary work found that the department has not yet identified and validated the number of legacy travel systems still used by the military services and the cost of operating them. Information provided by DTMO indicates that the military services are still using 23 legacy travel systems. However, information provided by the military services identified only 12 legacy travel systems— 10 of which were included on the DTMO list.[24] Regarding potential savings, other than budget information provided by the military services for four legacy travel systems, cost information for the other legacy travel systems was not provided.

We reviewed the department's fiscal year 2009 information technology budget in an attempt to identify the universe of legacy travel systems and their associated operating and maintenance costs. However, 20 of the 23 systems on DTMO's list were not identified in the budget. Without a valid

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[23]GAO-06-980.

[24]The Army, the Navy, and the Air Force indicated that they operate and maintain five, five, and two legacy travel systems, respectively.

inventory of legacy travel systems, it is unlikely that DOD management or the Congress—in particular, this subcommittee—will receive reliable reports regarding when these systems are likely to be eliminated and the continuing annual cost to operate and maintain them. Furthermore, without accurate information about legacy travel systems, DOD is at risk of not fully achieving its goal of eliminating stovepiped legacy travel systems.

Some legacy travel systems will be used for the foreseeable future even after DTS is deployed to all its intended locations during fiscal year 2009. For example, the Air Force has indicated that it will continue to operate and maintain the Reserve Travel System to process permanent duty travel by civilians. Similarly, the Army will continue to operate and maintain its Windows Integrated Automated Travel System for the same purpose. This functionality is not in DTS and the department does not currently have a time frame for including this functionality.

Electronic Processing of Travel Vouchers Is More Cost Effective

Continued operation of legacy travel systems, particularly where DTS has been deployed, diminishes savings available through electronic processing of travel vouchers and related travel information. At present, it is not possible to measure the lost savings because DOD has not identified the total universe of travel vouchers that it ideally should be processing electronically, nor does DOD have accurate information about legacy travel systems currently in use.

As long as the military services continue to use legacy travel systems, they will continue to rely on manual versus electronic voucher processing even at locations where DTS has been deployed. As a result, these DOD components pay DFAS higher fees to process travel vouchers. Given that the Army is DFAS's largest customer of manually processed travel vouchers, DFAS officials stated that the Army will benefit the most from the electronic voucher processing capabilities that DTS provides. DFAS provides only limited manual travel voucher processing for the Navy and the Air Force. As new functionality is added to DTS, the use of legacy travel systems should decrease, resulting in a reduction of the aggregate DFAS cost to process manual vouchers. For example, the department reported that in fiscal year 2008, the Army processed more than 1.5 million vouchers, and about 1.1 million of those vouchers were processed through DTS. However, as discussed above, both DFAS and Army officials acknowledged that they are unable to determine how many of the remaining 400,000 legacy system travel vouchers should have been processed by DTS (the total universe of travel vouchers).

In addition, our preliminary work to review the reasonableness of the rates DFAS charges for electronic and manual travel voucher processing identified some calculation errors. For fiscal year 2009, DFAS estimates it will charge DOD components an average of $2.47 for travel vouchers processed electronically and $36.52 for travel vouchers processed manually. However, in reviewing the price computation, we found that DFAS allocated too much general and administrative cost to its travel voucher processing activities. DFAS personnel were unaware of the error until our review, but indicated that it was most likely a misinterpretation of the guidance.

Concluding Remarks

Overhauling DOD's financial management and business operations represents a daunting challenge. DTS implementation is an example of the difficulties the department faces in achieving transformation of its travel operations through implementation of best practices and a standardized travel system. With over 3.3 million military and civilian personnel as potential travel system users, at approximately 9,800 locations around the world, the sheer size and complexity of the undertaking overshadows any such project in the private sector. As we have previously reported, because each DOD component receives its own funding for the operation, maintenance, and modernization of its own systems, nonintegrated, local business systems have proliferated throughout the department. The elimination of stovepiped legacy systems and use of less expensive electronic processing, which could be achieved with the successful implementation of DTS, are critical to realizing the anticipated savings.

In closing, we also would like to reiterate that following this testimony, we plan to issue a report on the status of DOD's actions on GAO's previous recommendations, which will include any further recommendations needed to improve the department's implementation of DTS and ensure its success in the future.

Mr. Chairman, this concludes my prepared statement. We would be happy to answer any questions that you or other members of the subcommittee may have at this time.

Contacts and Acknowledgments

For further information about this testimony, please contact Asif A. Khan at (202) 512-9095 or khana@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. In addition to the above contacts, the following individuals made key contributions to this testimony: Darby Smith, Assistant Director; Evelyn Logue, Assistant Director; J. Christopher Martin, Senior-Level Technologist; F. Abe Dymond, Assistant General Counsel; Jehan Abdel-Gawad; Beatrice Alff; Margaret Mills; and John Vicari.

Appendix I: Scope and Methodology

To determine the status of our 14 recommendations[1] to improve the Department of Defense's (DOD) travel processes and Defense Travel System (DTS) implementation, we met with representatives of the Defense Travel Management Office (DTMO) and the Program Management Office-Defense Travel System (PMO-DTS) to obtain an understanding of actions taken, under way, or planned by the department in response to our recommendations. We obtained and analyzed documentation, such as policies, procedures, and testing documentation, that supported the actions DOD has taken. More specifically, to determine the specific actions taken related to our previous recommendations on requirements management and system testing, in November 2008, we analyzed 90 requirements and reviewed relevant documentation to determine if the requirements had been tested and the result of the tests. The requirements selected for review related primarily to the display of flight information—since that was an area of concern in our prior work. Subsequently, in January 2009, we analyzed another 119 requirements because the program's requirements management and testing practices changed in July 2007, and we wanted to verify whether the changes had been effectively implemented. We discussed the results of our requirements management and system testing analysis with representatives of the DTMO, the PMO-DTS, and the prime contractor. For some recommendations, such as the one related to premium-class travel, we obtained a demonstration of the new procedures that had been implemented and reviewed reports produced by DTS when premium-class travel was taken. Furthermore, to obtain an understanding of the actions taken to address the concerns we had reported regarding DTS utilization, we met with officials in the DTMO, PMO-DTS, and travel management representatives of the military services.

To assess DOD's plans regarding the use of legacy travel systems after the DTS is fully implemented, we obtained legacy travel system inventory data from the DTMO and compared them with data obtained from military service personnel responsible for travel for their respective components to determine if there were any differences. We also obtained from the military services a listing of the legacy travel systems that will continue to operate once the DTS is deployed to all intended locations and the rationale for the continued operation of these systems. To determine the cost to operate and maintain the legacy travel systems, we requested

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[1]GAO, *DOD Business Transformation: Defense Travel System Continues to Face Implementation Challenges*, GAO-06-18 (Washington, D.C.: Jan. 18, 2006), and *Defense Travel System: Reported Savings Questionable and Implementation Challenges Remain*, GAO-06-980 (Washington, D.C.: Sept. 26, 2006).

information from the DTMO and the military services. In addition, we reviewed the department's fiscal year 2009 information technology budget request to identify the universe of legacy travel systems and their associated operating and maintenance costs.

To assess the reasonableness of DOD's cost estimates for processing travel vouchers electronically versus manually, we met with Defense Finance and Accounting Service (DFAS)-Indianapolis officials to obtain an understanding of the methodology used to determine the price charged a customer to process a travel voucher. More specifically, we (1) obtained and analyzed documentation supporting the methodology used by the DFAS to compute the cost estimates for electronically and manually processing a travel voucher and (2) used our cost assessment guide[2] as a reference to determine whether the DFAS considered all appropriate and reasonable cost elements in developing its computation of costs for processing manual and electronic travel vouchers.

We conducted fieldwork from July 2008 through March 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the preliminary findings and conclusions presented in this testimony based upon the audit objectives. We discussed the preliminary findings included in our testimony with DOD officials. After completing additional work, we plan to issue a report on the status of DOD's actions on GAO's previous recommendations, which will include any further recommendations needed to improve the department's implementation of DTS and ensure its success in the future.

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[2]GAO, *Cost Assessment Guide: Best Practices for Estimating and Managing Program Costs* (Exposure Draft), GAO-07-1134SP (Washington, D.C.: July 2007).